

Message Text

UNCLASSIFIED

PAGE 01 LA PAZ 00742 042116Z

72

ACTION ARA-10

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 EUR-06 EA-07 /031 W

----- 059451

R 042014Z FEB 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 2154

USDOC WASHDC

UNCLAS LA PAZ 0742

E.O. 11652: N/A

TAGS: BEXP, ETRD, EMIN, BL

SUBJ: "EARLY WARNING": CONSTRUCTION OF ZINC SMELTER

REFS: (A) A-121, JUNE 15, 1973; (B) LA PAZ 6652, NOVEMBER 23, 1971;

(C) MEXICO CITY A-25, JANUARY 18, 1974.

SUMMARY: BOLIVIAN GOVERNMENT STILL HAS PLANS TO CONSTRUCT ONE OR TWO ZINC SEMLTTERS. SMELTER LOCATIONS ARE STILL NOT DEFINITELY FIXED, BUT ONE SMELTER IS PLANNED TO BE BUILT IN THE VICINITY OF THE VILLAGE OF CALACOTO NEAR RAILROAD LINE TO ARICA, CHILE AND SOUTHWEST OF THE TOWN OF COROCORO. OTHER SMELTER WOULD BE LOCATED AT CITY OF POTOSI. INTERNATIONAL TENDER FOR LARGEST SMELTER AT CALACOTO REPORTEDLY TO BE MADE WITHIN LAST TWO WEEKS OF FEBRUARY, 1974. SMELTER TO HAVE ANNUAL OUTPUT CAPACITY OF 64,000 METRIC TONS OF ZINC AND ESTIMATED COST, INCLUDING WORKING CAPITAL OF US\$5,000,000, IS US\$ 73,000,000. TENDER FOR POTOSI SMELTER WOULD BE MADE LATER. POTOSI SMELTER PRESENTLY PLANNED TO HAVE OUTPUT CAPACITY OF 40,000 TO 45,000 METRIC TONS AT BUILDING COST OF US\$55,000,000 TO US \$60,000,000. END SUMMARY.

1. ON JANUAR 30, LOCAL REPRESENTATIVE OF ENGELHARD MINERALS AND CHEMICALS CORPORATION STATED THAT HE WAS RECOMMENDING TO HIS FIRM TO MAKE AN OFFER TO GOB TO CONSTRUCT SMELTER UNDER MIXED ENTERPRISE ARRANGEMENT WITH ENAF. RUSSIAN, GERMAN, JAPANESE, BRAZILIAN, FRENCH, POLISH AND CZECHOSLAVAK OFFERS REPORTEDLY ALSO LIKELY TO BE MADE.

2. COMMENT: ACCORDING TO SINGMASTER AND BRYER (CONSULTANTS TO U.S. STEEL AND COMIBOL) REPORT OF 1969, THERE IS NO TECHNICAL REASON

UNCLASSIFIED

PAGE 02 LA PAZ 00742 042116Z

WHY AN ELECTROLYTIC ZINC PLANT COULD NOT BE INSTALLED AND

OPERATED SUCCESSFULLY IN BOLIVIA DESPITE PROBLEMS OF HIGH ALTITUDE.
HOWEVER, REPORT ALSO STATED THAT ECONOMIC SUCCESS OF THE ZINC REFINERY

DEPENDENT ON ELECTRIC POWER COSTS, SUFFICIENT RESERVES FOR GUARANTEED
DELIVERY OF ZINC CONCENTRATES FOR 20 YEARS, AND GUARANTEED MARKET
FOR SULPHURIC ACID PRODUCED, WHICH DUE TO HIGH TRANSPORTATION COSTS,
WOULD HAVE TO BE MARKETED INTERNALLY. FOR ZINC REFINERY WITH
ANNUAL OUTPUT OF 33,600 METRIC TONS OF ZINC, 265,440 POUNDS OF
CADMIUM, AND 360 TONS OF COPPER RESIDUES, 61,000 METRIC TONS OF
SULPHURIC ACID WOULD BE PRODUCED. EMBASSY BELIEVES THAT WHETHER
PRESENT ECONOMICS OF SMELTER ARE JUSTIFIABLE OR NOT, SMELTER WILL
BE BUILT IN ANY EVENT.

3. ACTION REQUESTED: USDOC IS REQUESTED TO ENCOURAGE POTENTIALLY
INTERESTED U.S. FIRMS TO COMMUNICATE DIRECTLY WITH MINISTER OF
MINING AND METALLURGY, RAUL LEMA PATINO, MINISTERIO DE MINERIA Y
METALURGIA, 1769 AVENIDA 16 DE JULIO, LA PAZ, BOLIVIA AND COPY
TO EMPRESA NACIONAL DE FUNDICIONES (ENAF), CASILLA 4298
LA PAZ BOLIVIA. ENAF'S CABLE ADDRESS IS "ENAFBOL", LA PAZ:
ITS TELEX NUMBERS ARE BX5271 AND ITT 3560090.

4. THE TENDER WILL BE REPORTED TO USDOC WHEN ISSUED.
STEDMAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ZINC, CONSTRUCTION, MINING INDUSTRY
Control Number: n/a
Copy: SINGLE
Draft Date: 04 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LAPAZ00742
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740258/aaaaccml.tel
Line Count: 84
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: (A) A-121, JUNE 15, 1973; (B) LA PAZ
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 08 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 MAR 2002 by elbezefj>; APPROVED <27 NOV 2002 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: "EARLY WARNING": CONSTRUCTION OF ZINC SMELTER
TAGS: BEXP, ETRD, EMIN, BL
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005